

June 15, 2009

The Honorable Camille George  
PA House of Representatives  
38B East  
Harrisburg, PA 17120-2074

Re: HB 80, Amends the Alternative Energy Portfolio Standards Act

Dear Representative George:

On behalf of our thousands of Pennsylvania employers, from Sole Proprietors to Fortune 100 companies, the undersigned write in opposition to HB 80, amending the Alternative Energy Portfolio Standards Act (AEPS Act), scheduled for consideration by the House Environmental Resources and Energy Committee on June 16.

HB 80 would increase the mandated amounts of Tier 1 renewable energy from 8% of electricity consumed by customers to 20% in the years 2021 to 2026. It would also increase the solar energy mandate from .5% to 3% in the years 2021- 2026, and create an additional mandate of up to 3% by 2015 for coal fired power plants using carbon capture and sequestration technology.

Policymakers today cannot accurately predict what technologies will exist or be economically viable in the years 2021 to 2026. For example, the development of Marcellus shale natural gas reserves was not anticipated a decade ago. By increasing mandated percentages of particular technologies, it creates inflexibility in the energy market.

Clearly, abundant and affordable energy is critical for Pennsylvania's business community and its citizens and the Commonwealth must take reasonable steps to assure adequate supplies at affordable prices in the future. Our belief is that renewable energy plays a critical part in that long term picture. Many of the member companies of the organizations listed below recognize this, and are making great strides on their own to develop and use alternative energy sources. Unfortunately, we are concerned that the increased mandated amounts contained in the HB 80 could lead to higher energy costs for both producers and consumers, and could negatively impact the reliability and adequacy of Pennsylvania's electric generation supply.

Pennsylvania should steer clear of government mandated energy requirements. Pennsylvania's plan must be one that balances the energy consumption needs of Pennsylvanians with viable energy sources to meet those needs. Renewable energy must be part of the mix, but so too should traditional forms of energy like environmentally friendly nuclear power, natural gas, as well as clean coal. Pennsylvania will need all forms of energies in order to meet its growing demand.

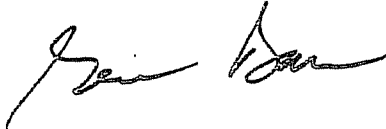
The U.S. Congress is currently working on a climate change bill that contains language allowing states to meet as low as a 12 percent RER Portfolio Standard. This would be 6 percent less than the current AEPS and 21 percent less than what is proposed in HB 80. Pennsylvania should not enact legislation that is over double the federal standard. It will put our economy at a severe competitive disadvantage and cost us jobs.

Does the legislature really want to go down the path of adding more to the cost of energy when electric rate caps are set to expire?

We urge you to vote "No" on HB 80.

Thank you for your consideration.

Sincerely,



Gene Barr, Vice President, Govt. & Public Affairs  
PA Chamber of Business and Industry



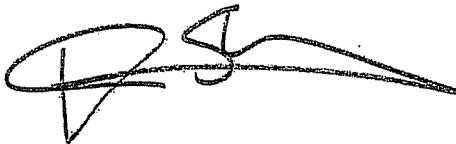
David Kleppinger, Counsel  
Industrial Energy Consumers of PA



David N. Taylor, Executive Director  
Pennsylvania Manufacturers Association



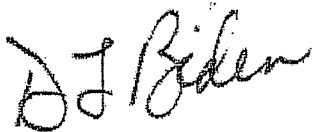
Rolf Hanson, Executive Director  
Associated Petroleum Industries of PA



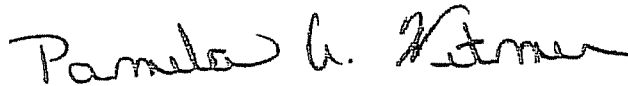
Kevin Shivers, Executive Director  
National Federation of Independent Business



George Ellis, President  
PA Coal Association



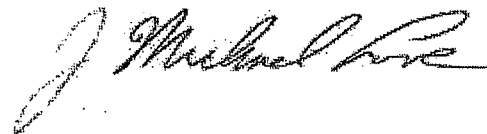
Doug L. Biden, President  
Electric Power Generation Association



Pamela A. Witmer, President  
PA Chemical Industry Council



Stephen Rhoads, President  
PA Oil & Gas Association



J. Michael Love, President  
Energy Association of PA